

# UK Life Sciences 2020 Board and Leadership Diversity





Knowledge at the  
heart of leadership

## About Us

Since 2003, Liftstream has been recruiting outstanding people to the unique and complex challenges of the life sciences sector. Our work in strengthening company boards, executive teams and function management across international bioscience clusters, improves the leadership and governance standards of the sector's constituent companies.

At Liftstream, diversity is more than a statement, it is a values system by which we operate. We work constantly to challenge ourselves to look further and more broadly for experience, focusing on inclusiveness, where everyone is appreciated for what they can contribute.

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## Looking to diversify your company's leadership?

Contact Liftstream and benefit from our expertise  
in the area of leadership diversity and inclusion.

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## Introduction

Life sciences is deemed so vital to the UK's economic prosperity that in 2017 the UK government published a life sciences industrial strategy. A central tenet of this strategy was the UK sector's ability for attracting talent and leadership. The vision laid out how crucial it would be that companies and organisations must have access to the necessary skills and human capital from around the globe. Anything that impedes this access to the best people should be proactively addressed.

Away from life sciences, expertise in diversity has been developing in the UK, emerging from the domestic agenda for changing the composition of the boards of the country's largest companies. Originally under the purview of Lord Davies, who undertook the Davies Review into gender diversity on UK company boards, and more recently under the Hampton Alexander Review, led by Sir Philip Hampton (formerly Chairman of GSK) and the late Dame Helen Alexander who followed on Davies' work. Since 2011, the FTSE 100 has increased the percentage of women on boards from 12.5% to 33% in 2020. Among the FTSE 250 and FTSE 350 companies, those numbers have risen from 7.8% and 9.5% in 2011 to 29.6% and 30.6% in 2019 respectively<sup>[1]</sup>. While other countries have chosen to mandate board diversity by way of quotas, the UK has achieved this progress through voluntary action, resulting in government and business working together. The change in the numbers confirms that companies are persuaded of the compelling business advantages of board diversity and have moved decisively.

But what of UK life sciences companies, have they been part of this groundswell of change?

## About this summary

In 2014, Liftstream conducted an extensive research study<sup>[2]</sup> of the European biotech markets to assess the gender composition of biotech company boards and leadership. The data generated in 2014 would enable us to revisit these markets sometime later to review the progress. Liftstream has now undertaken a 2020 study of the UK life sciences industry to measure how far the sector has come in terms of the gender balance of UK company boards and executive leadership teams. While Liftstream will not publish the full analysis, we are providing a summary of the findings.

We have also chosen to study the participation of racial and ethnic workplace minorities on the boards of UK life sciences companies. Our findings will hopefully begin to open a discussion that takes on a broader perspective of diversity than gender. In this summary, we'll provide some insights to the top-level results from the racial and ethnic data.

To conduct this study, we selected 132 companies from across the UK life sciences sector, drawn from biotech, pharma and medical technologies. Of the 132 companies, there were 70 privately held companies and 62 publicly listed companies. The publicly listed companies are commonly on the LSE, AIM, Nasdaq or Euronext exchanges. The average size of the board of directors of private companies was 6 directors, and 7 for public companies. Overall, the study covered a total of 867 directors.

[1] - Hampton Alexander Review - UK Govt. - 2020

[2] - Diversifying the Outlook - The X&Y of Biotechnology Leadership - Liftstream 2014

## Executive Directors

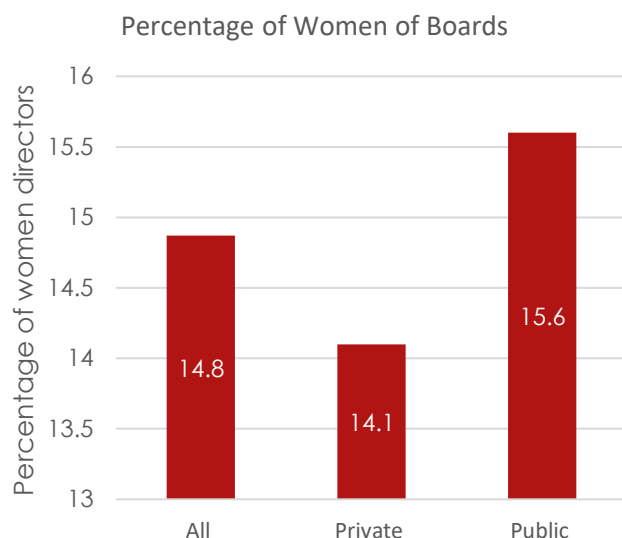
Acknowledging that one way in which to change the composition of the board is through the presence of executive directors, we were keen to understand the overall proportion of executive directors on all the boards. Across all companies, executive directors represented 25% of the total director population. On private company boards, executive directors represented 23% of directors, and 27% of public company directors were executive directors. We considered that this representation of executives on the boards might include a high proportion of women CEOs. In reviewing the data, our research found a total of 13 women CEOs across all companies. Only 9.8% of CEOs were women, and among public companies, five women CEOs (8%) were identified. The 13 women CEOs made up a total population of 25 women executive directors (12 non-CEOs). Overall, women were 11% of the executive director cohort (n=219) across all companies. On public company boards, a mere 8% of the executive directors were women.

We can certainly conclude that women are not showing up on company boards as CEOs or executive directors. It is disappointing that the UK has not been able to make substantive progress on the proportion of women CEOs, which has been in the 7-9% range for several years.

## Women on company boards

The boards overall were assessed for the number of women currently serving as directors, as well as the number of racial and ethnic minority board members.

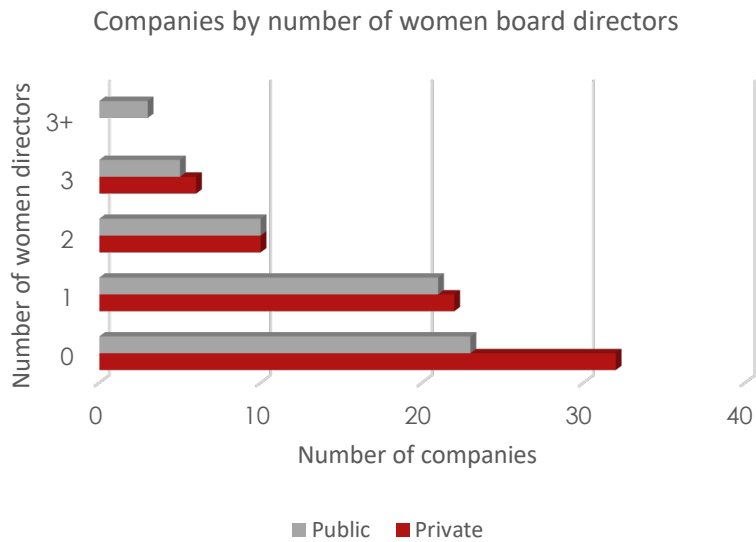
**Fig. 1 – The percentage of board directors that are women**



The research by Liftstream found that women represent just 14.8% of all directors. Among public companies, the figure was fractionally higher at 15.6%. We expect public companies to be higher than private companies given the sustained pressure and scrutiny on them by government and institutional investors to diversify their boards. What is surprising is that public companies have not made more significant bounds towards gender balanced boards.

When considering the average board size of 7 directors, 14.8% of women directors represent just one woman per board. Understanding how these 129 women serving as directors are concentrated across all the companies tells us more about the pattern of board diversity. The chart below (Fig. 2) shows us the number of companies with a defined number of women directors. Here we see that there remains a considerable proportion of company boards that remain all-male (41%), but one third of companies have one woman on their board. The number of companies with 3 or more women directors is a total of 14 or 10.6%.

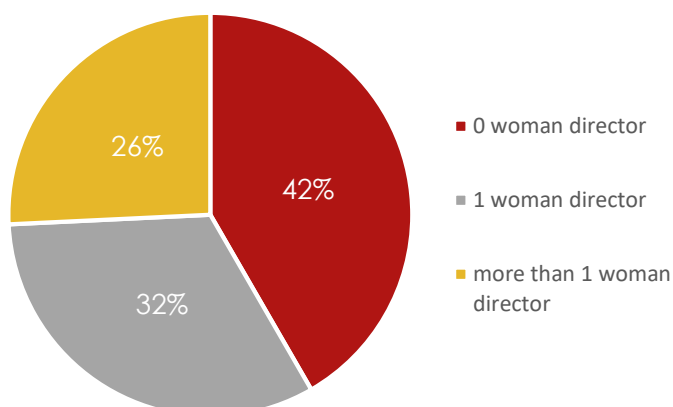
**Fig. 2 – The number of companies by the number of women directors per board**



This group of companies with only one woman on the board, indicates an area of change since our 2014 study. In that 2014 study, we showed that 59.9% of European company boards were all-male boards, signalling a decline in the number of all-male boards. While this trend is welcome, the fact that among the boards with women serving as directors, 56% of them have only one woman, highlights that company boards have not sought to diversify in a meaningful way. Until these companies commit to adding additional women to their boards and proving they are not merely ‘one and done’ boards that can quickly regress towards all-male boards again, we have to temper any forecasts of positive and widespread shifts in board culture toward greater diversity and inclusion.

**Fig. 3 – Companies with only one woman director, as a percentage of total**

Boards with one woman director



As we have cited in our previous reports, research indicates that boards only really begin to see the full advantages of diversity once they have a critical mass of diverse candidates. One diverse candidate on a board does not fulfil this criterion. It is recommended that at least three women or diverse candidates would deliver the greatest advantages, and it is not even close to becoming a reality among these 132 companies.

But there are some successes, and in the interests of commending those companies that have committed to having three or more women on their boards, we have listed both the public and private companies.

**Fig. 4 – Top 5 Companies (Public and Private) with 3 or more women serving as board directors**

**Public Companies**

Company Name	Number of women directors	Market Cap (31-Jan-2020)
GSK	5 (inc. CEO)	£89bn
AstraZeneca	4	£97bn
Bicycle Therapeutics	4	\$192m
Genus	3	£2bn
Hikma	3	£4.43bn

**Private Companies**

Company Name	Number of women directors
Immunocore	3 (inc. CEO)
Cambridge Epigenetix	3 (inc. CEO)
Omass Therapeutics	3 (inc. CEO)
Crescendo Biologics	3 (inc. CEO)
Kymab	3

\*Multiple criteria were considered in these rankings, such as board size, gender of CEO, overall diversity, leadership diversity.

The number of women CEOs, as highlighted already in this summary, is clearly very low. However, we were interested to see if the presence of women CEOs has any effect on the gender balance of the board. What we found, albeit across a small number (<10%) of companies (Public n=5, Private n=8) is that the percentage of women on the boards of companies with women CEOs was higher than average. For public companies, it was 23.6% and for private companies, it was 31.4%. What we're unable to determine is whether it is the diverse and enlightened boards which were more inclined to appoint a women CEO, or whether the presence of a women CEO has resulted in a diversified board. Likely it is a combination of both. The presence of the women CEOs is also contributing to the higher percentage ratio of women in these numbers.

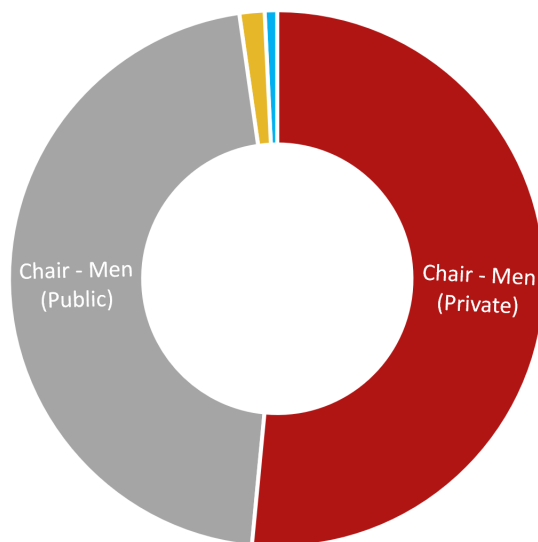
## Chair of the board of directors and board committees

As with hiring women as CEOs, appointing women as Chair of the board of directors has shown to be an incredibly stubborn challenge. In this study, across all 132 company boards, we found only 3 women board Chairs, 2 on private boards, and one woman serving as Chair on a public board. These figures speak for themselves and require limited analysis, except to say that the UK life sciences industry must do far better in bringing forward women to serve as the Chair of the board of directors. The inclination for appointing current or past CEOs to Chair boards, limits the prospects of more women landing these Chair positions.

**Fig. 5 – Proportion of women serving as Chair of the board**

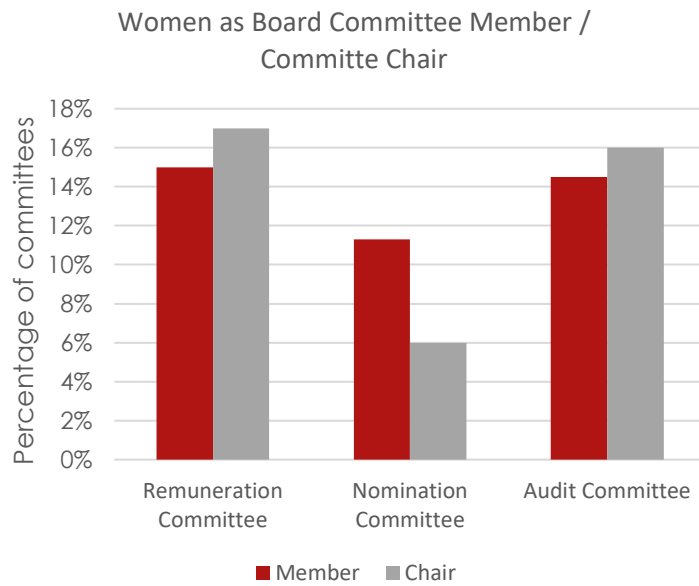
Proportion of women serving as Chair of board

- Chair - Men (Private)      ■ Chair - Men (Public)
- Chair - Women (Private)    ■ Chair - Women (Public)



What the CEO and Chair data show, is that the main power-axis of the companies (Chair/CEO), remains male dominated. To understand where else women are playing an active role in the governance and leadership of the companies, we chose to analyse the composition of the board committees, and the executive leadership teams.

**Fig 6. – Percentage of women as members of the board committees and committee chair**



In a divergence from previous data Liftstream has generated, women are playing the most active role on the Remuneration Committee, both as members and committee chair. Previously, we have seen the highest prevalence of women on the Audit Committee. The figures are drawn exclusively from public companies. The relatively low participation of women on the Nomination Committee, where they can influence executive and board appointments, offers a partial explanation for the slow pace at which women are being appointed to boards and CEO roles. There are many other reasons this is not happening too.

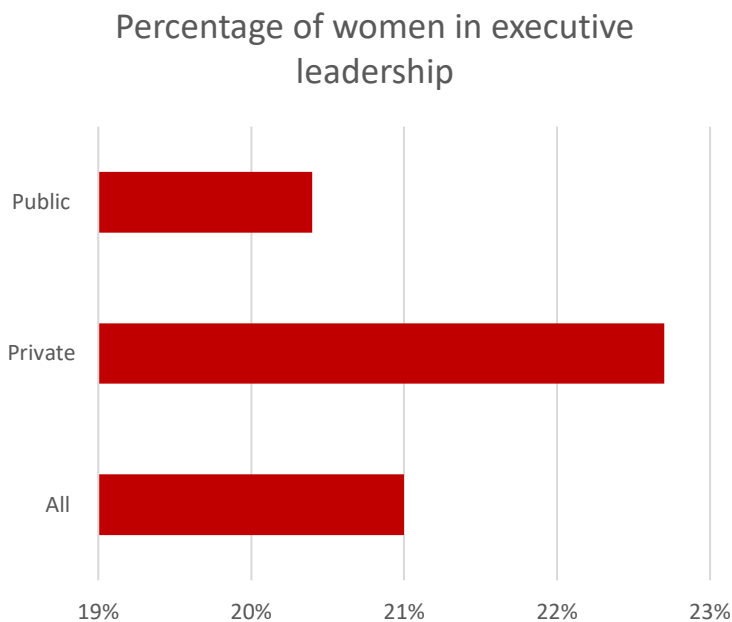
With low overall participation of women on these boards (15.6%), it is unsurprising that they do not get the chance to chair or make up a more significant part of the committees. With committees in our study ranging from 2 to 6 members, these figures show that committees are not gender balanced.



## Executive Leadership Gender Diversity

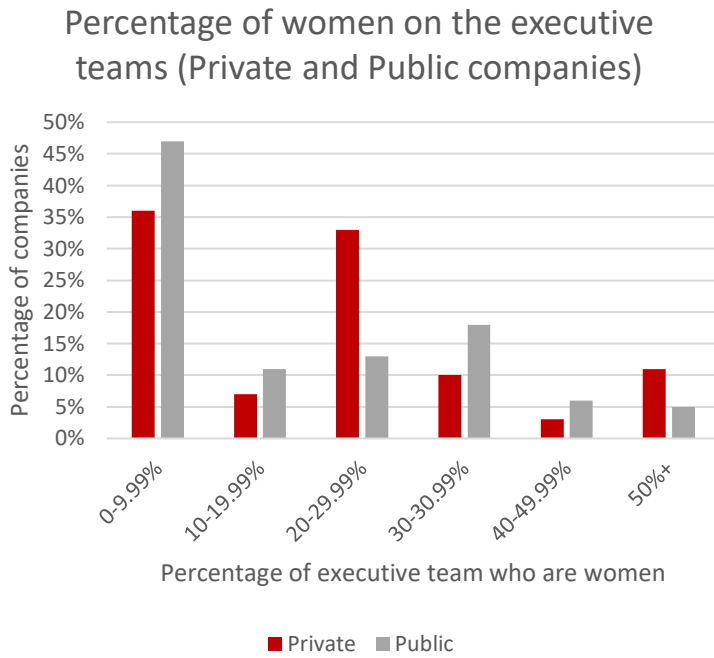
In evaluating the executive leadership teams, we were hopeful of seeing a considerable upturn in the participation of women. Unfortunately, we found that only 1 in 5 executive leaders in UK life sciences companies is a woman. The executive leadership level is the recruitment pool for future CEOs and board directors, and having just 21% of executive leaders being women, likely chokes off the prospect of more accelerated progress toward gender-balanced boards and executive management.

**Fig. 7 – The percentage of women in executive leadership positions**



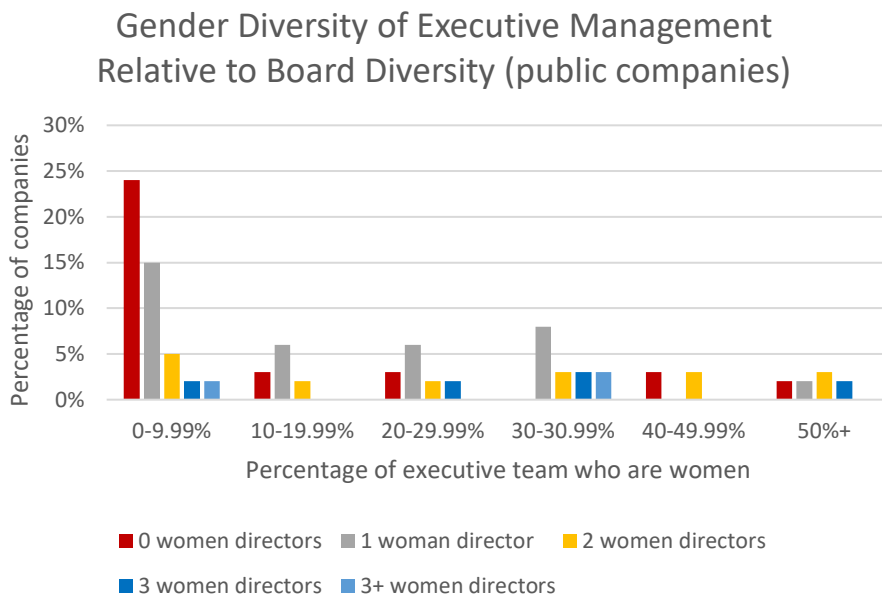
The issue with this depiction of the proportion of women on the leadership teams of companies is that it belies the progress that some companies are making to introduce diversity. As with the boards, by analysing the distribution of women throughout the companies, we can better understand the overall picture. We segmented the private and public companies and assessed the percentages of women on their executive leadership teams. What we can show from this data is that over a quarter (29%) of the public companies now have 30 percent or more women on their leadership. Private companies are close behind too, with 24% of them at 30 percent or greater gender diversity in the leadership.

**Fig 8. – The percentage of women on the executive team of private and public companies**

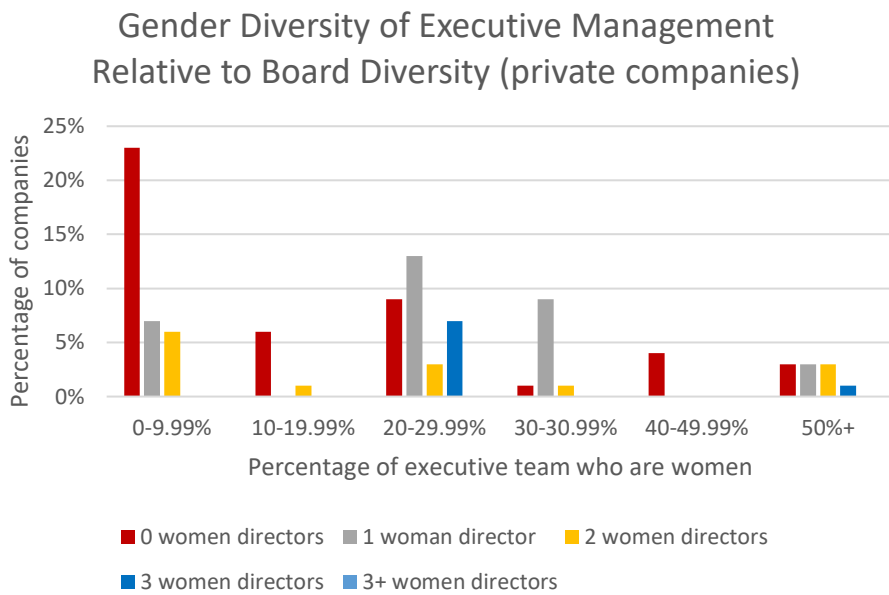


Our research allowed us to see if the diversity among the leadership team was in any way linked to greater participation by women on the boards of the companies. There are many claims about how improving the gender balance at the board level will enhance the diversity of the leadership, and the organisation as a whole. In our prior research, we have been able to show that women decline job opportunities because of the presence of an all-male board. Therefore, understanding the relationship between gender diverse boards and gender diverse leadership teams is valuable insight.

**Fig. 9 – The gender diversity of executive management relative to the board diversity (public)**



**Fig. 10 – The gender diversity of executive management relative to the board diversity (private)**



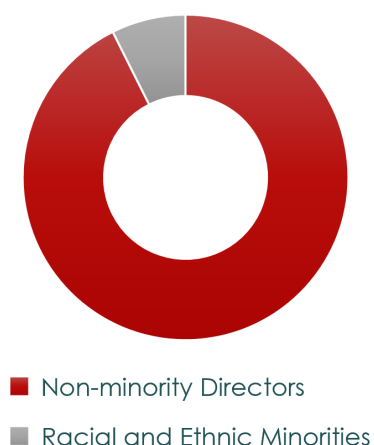
What is apparent is that the presence of women on the boards does increase the likelihood of women in the executive leadership teams. Perhaps this is not the most profound conclusion as many people know this anecdotally; however, here we have some data which supports that view. In analysing this though, we also find that the overall picture is more complicated than merely suggesting some companies take diversity seriously and some don't. We see that the absence of women on the boards of companies, has not prevented some companies from diversifying their leadership, and that there is a spectrum of progress on the matter of gender diversity. These pockets of development though, are commonly overshadowed by the companies who dominate the far-left columns in Fig. 9 and 10. More can be done to set these companies off on the same journey as the others, but as with the boards, it is not a simple story of those who have and have not.

## Race and Ethnicity

Racial and Ethnic data is hard to obtain, and so we took every measure possible to cross-reference and check information to assess this data accurately. Having done so, we have confidence in our numbers, but we do accept that there may be some variance. Despite any small discrepancies that may exist, the data gives us a baseline from which to work. The study shows that only 64 directors, or 7.3% of the overall population of directors, were representative of racial and ethnic minorities across the 132 companies. This figure declines to just 5.9% among public companies.

**Fig. 11– The proportion of directors from racial and ethnic minorities relative to all other directors**

Proportion of directors of racial minorities relative to other directors



These figures illustrate the acute deficiency on the boards of companies in UK life sciences companies for racial and ethnic minorities. Given the vital role that so many people from such racial and ethnic backgrounds play in the UK’s medical, scientific and academic professions, it is damning to see such low participation of this talent on the boards of UK life sciences companies.

In Sir John Parker’s review<sup>[3]</sup> of racial and ethnic diversity on UK boards, published in Feb 2020, he found that 69% of the FTSE 250 companies had no racial diversity on their board. This figure aligns with our findings among the group of 132 companies, with 93 (70%) having no racial or ethnic representation on the board of directors.

When comparing the boards with racial and ethnic minority directors against those with women directors, we found that among public companies, 74% of the boards with a racial or ethnic minority serving as a board director, also had a woman on the board. This same comparison among private companies showed 53% of companies had both racial and gender diversity on the board. This is an indication that boards with a more progressive diversity outlook are not limiting themselves to gender.

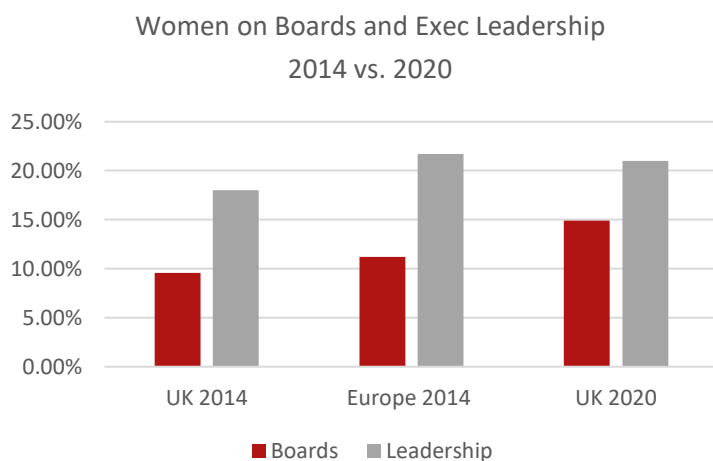
[3] - Ethnic Diversity Enriching Business Leadership 2020 - The Parker Review Committee

## Comparing data with previous years

Having reviewed all our 2020 data, we wanted to make some comparison with our 2014 study. It was not possible to do a direct ‘like for like’ comparison, as our 2014 UK data was generated as part of a more comprehensive European analysis, and included only 63 UK companies, some of which have since ceased trading. However, it is valuable to compare 2020 UK data against both UK and EU data from 2014.

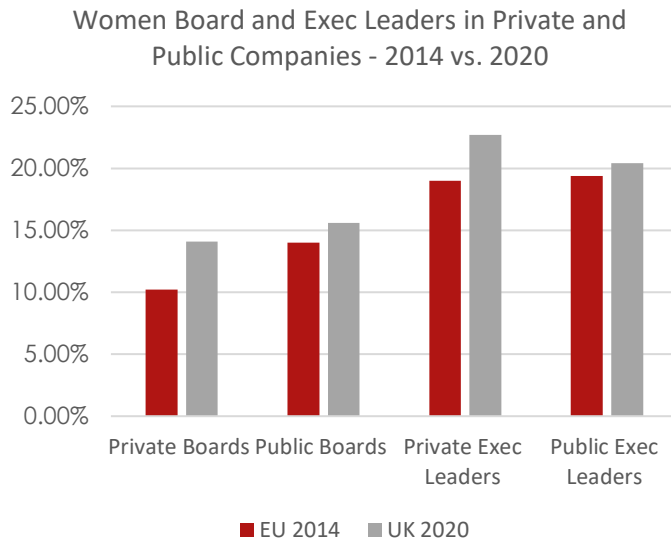
In 2014, among UK companies, women represented 9.6% of board directors and 18.1% of executive leaders. Whereas by comparison, 2020 data show that women make up 14.9% of the board director population and 21% of the executive leadership. The increase in women as board directors and executive leaders may be considered quite derisory. Given this 2020 study takes in large-cap companies, in which there has been marked progress, we might conclude that the increase across most companies in the sector has been even more underwhelming than the aggregated numbers show.

**Fig. 12 – Percentage of women participating on boards and executive committees in 2020, compared to UK and European data from 2014.**



To assess if there is more considerable improvement among private or public companies, we have been able to make some comparison with the European-wide 2014 analysis. The results show that private companies have seemingly made better advances over the 2014 European averages. More tellingly though, it shows that the introduction of more women on boards and executive leadership teams is still incredibly slow, and there has been no major uptick in the pace.

**Fig. 13 – Percentage of women participating on private and public company boards and executive committees in the UK in 2020, compared with Europe in 2014.**



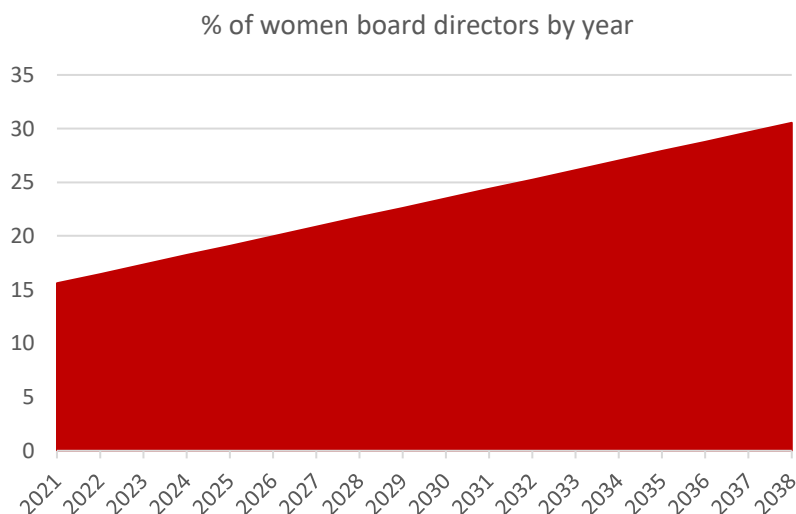
## Looking to the future

In 2017, Liftstream published another report<sup>[4]</sup> examining gender diversity among biotech companies which had publicly listed. From studying these companies, we were able to determine that the annual rate of change in adding women to these biotech boards was 1%. Using this annualised rate of change, we projected that it would take biotech boards until 2036 to reach 30% and until 2056 to reach parity.

When projecting this lengthy timeline, we believed that looking out into the future, the change would be non-linear and that the extensive efforts to raise awareness as to the advantages of board diversity would accelerate this rate, leading to a positive bending of the curve. The 2020 UK study indicates that within the UK, the rate of change over six years has been just 5.3%.

For the boards of the 132 companies in this study to reach a gender balance of 30% women, collectively the companies would need to add a further 131 women as directors, more than doubling the current number of women on boards. We project this would take until 2038 at the current rate. Were the 132 companies to achieve a similar 30% of racial and ethnic minorities on the board, then 194 new directors of these ethnicities would need appointing.

[4] - A Public Reality for Women in Biotech Boardrooms - Liftstream 2017

**Fig. 14 – Projected timeline for percentage of women on UK boards to reach 30%**

## Conclusion

The issue of board diversity is not going away anytime soon. More investors and stakeholders are beginning to mandate requirements for increased levels of board diversity. While Britain's biggest companies have been addressing the matter, it would appear the UK life sciences sector has not been proactively tackling board or leadership diversity.

If the UK life sciences sector is to thrive, then the governance of its companies must benefit from the advantages of diversity that other companies around the world are experiencing. Our study confirms that UK life sciences companies are adding diversity to their boards at a very low cadence despite these stated benefits. The UK life sciences industrial strategy, discussed earlier, emphasises that *'Ensuring the UK has the talent and skills to underpin future life sciences success'* is a foundation stone of the strategy. But the lack of diversity, as we know from prior Liftstream research, is hurting the sector's ability to fully utilise its talent base or attract talent from across the UK and Global markets.

Some will read this analysis and immediately dismiss it. With 41% of boards being all-male, that is almost a given. Also, some people will argue diversity takes different forms, and 'diversity of thought' is most important. There is merit to that argument, although it often disguises inaction and bias. And while we accept this data shows only gender, race and ethnicity quotients, the lack of these prominent diversity characteristics would suggest that other more subtle and nuanced forms of diversity are also currently excluded.

It is possible that executives have grown fatigued of the diversity and inclusion discussion or have become complacent. Perhaps the temptation to dichotomise the actors; the good who are diverse, and the bad who are not; is repelling people. In this analysis, we have resisted such temptation, preferring instead to try and show there is a more complicated story to understand. While too many boards remain all-male, there is a large contingent of boards with one woman on the board, and this could be the first step towards an even higher concentration of women on boards. Equally, among the leadership teams, we see companies who have acted progressively, sometimes in contrast with what they are doing at board level. This full spectrum of action underlines the importance of regular

data to avail us of the status and to highlight the opportunities to make faster and more substantive progress. It also challenges many of the existing assumptions and practices being deployed to improve diversity, showing some to be poorly implemented or ineffectual.

While the overall picture has hidden complexity, the need for action is stark. Boards must diversify and do so boldly and progressively. In 2026, the UK life sciences sector should not be looking back on another six years of data, only to draw a similar conclusion.

## Methodology

For this study, we devised a list of companies that represented a suitable cross-section of the UK life sciences sector, focusing on innovative companies from biotech, pharma, medical devices and technology. The provisional list included a total of 207 companies. We then compiled information and data on these companies relating to their board of directors, using regulatory filings, registration and company documents, the company websites, plus information from other websites that provided information about the board, management or individual profiles.

Having compiled the data, we then removed any companies where the information was incomplete, inadequately detailed, or where we judged the information not to be current. Having completed this exercise, we reached a final list of 132 UK companies in which we had high confidence in the information and data.

All efforts were taken to identify the gender (binary male/female) of each director and executive member of the leadership team. Similarly, we undertook a simultaneous effort to assess which members of the board and executive management leadership were of racial and ethnic minorities. We used appearance and other publicly available information to assess and judge the likelihood of a person being of a minority racial and ethnic origin. We accept this is not an exact science, and there will no doubt be some discrepancies; however, the figures are the best we have to make a base-line assessment. Where any doubts existed about the validity of a person's inclusion in this category, they were excluded.

Companies are increasingly likely to list expanded leadership teams, rather than merely the C-level or executive management. On occasions where companies choose to include expanded leadership, we exercised our experience of executive search to determine the senior management. Our selection would typically be C-level, C -1, C -2 (in larger companies). We accept this excludes some listed leaders who perhaps would increase the appearance of a more diverse leadership. We chose to do this because we wished for the executive leadership to represent the more senior management in the company, with all the authority that includes. Also, we were most interest in the talent pool feeding the company's highest leadership positions, plus the market for both executive and non-executive directors.



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